

**BAYFIELD COUNTY
FORESTRY AND PARKS DEPARTMENT**

2021 BUDGET NARRATIVE

BUDGET SUMMARY AND HIGHLIGHTS:

The proposed budget for the Forestry and Parks Department is as follows:

- **Revenue:** \$3,642,143, a decrease of roughly 11% when compared to 2020;
- **Expense:** \$1,989,794, a decrease of roughly 5.5% when compared to 2020;
- **Net Levy Contribution:** **\$1,652,349**, a decrease of roughly 17% when compared to the 2020 adopted budget or a decrease of roughly 8% when compared to the 2020 estimated actual net total (not including the capital accounts).

Impacts of the COVID-19 pandemic on timber markets and the ultra-conservative approach to budgeting future timber sale revenues as a response, are the primary reasons for the significant decrease in total net levy contributions. However, improvements in the COVID-19 situation and an associated rebound (increase) in the timber market have the potential to produce substantial gains in timber sale revenue. As a result, the actual net levy contribution could be much higher in 2021 and has the potential to approach more normal levels.

Revenues: Forest Management Program

Traditionally, all revenues received over the course of a year were generated from the management of the County Forest, primarily through stumpage. However, over the past few years, the Forestry Department has been assigned primary management responsibilities of both the county parks (added in 2011) and trails programs (added in 2013).

In addition to the revenues received from the sale of wood (stumpage), the Forestry and Parks Department now collects income from camping and other parks related activities, including the newly constructed yurts (two yurts were constructed in October/November 2016, one in Bayfield and one in Cable, and a third one, also in Bayfield, was completed in September 2018), as well as monies pertaining to state funded motorized trail maintenance, rehabilitation and construction.

Sale of Wood (Timber Sales)

The sale of wood is the primary source of revenue for the Forestry and Parks Department (approximately 93% of total revenues received from the County Forest management program and roughly 85% Department wide, which now includes parks and trails).

Revenues from the sale of wood on the County Forest for the calendar year 2021 are projected to decrease by roughly 12% when compared to the 2020 budget. The estimated amount in 2021 is \$2.95 million, compared to \$3.355 million set in 2020. This is the first time in over two decades where the budget for timber sale revenues has been predicted to decrease.

The reason for the expected decrease is primarily three-fold: 1) the COVID-19 pandemic has created extremely volatile market conditions, which, in turn, has a direct impact on the demand for and consumption of wood fiber; and 2) partly in response to the rapid change in timber markets, the Verso Corporation announced the idling of their two large pulp mills, one in Duluth, MN and the other in Wisconsin Rapids. The Rapids mill, when operating at full capacity, has the ability to consume roughly 25% of all pulpwood produced in the state of Wisconsin!; and 3) if the Verso mills remain idle over the long term and the COVID-19 pandemic persists well into 2021, then there is predicted to be a continued decrease in demand for pulp related products, which will result in an over supply of wood fiber. An over supply of material and less demand for the products generally equates to a decrease in price.

This combination of factors has the potential to keep stumpage prices low for most timber products throughout 2021. There is still demand for the wood, but prices will be at their lowest level in recent memory. Low stumpage prices will result in less future revenue on new sales, but it will also impact current contracts. Many existing timber sales were purchased when market conditions were normal. Under the current financial climate, the stumpage rates on those contracts are now much higher than the existing market. Persistent lower market rates will put a strain on existing contracts. If stumpage prices on existing contracts remain much higher than the market rates, many contractors will choose not to harvest them. A significant amount of revenue is generally received from timber sale contracts that are a few years old. If these sales are not harvested as per normal, the county could realize less revenue from them in 2021.

While a reduction in stumpage prices is likely, there may also be less demand for wood products that have traditionally been difficult to market, like ash pulp and balsam fir. In addition to the general decrease in stumpage prices, the Department can expect to see a few more timber sales remain unsold.

The combination of a general decrease in stumpage prices on new sales, an increase in some timber sales remaining unsold and the potential issue with existing contracts (containing stumpage rates that are much higher than current market conditions), have all contributed to the predicted decrease in timber sale revenue in 2021.

Table 1 displays the number of timber sales, acres and bid values from 2007-2021 (2020 & 2021 are estimates). The table also includes total actual revenues received from timber sales per year.

Table 1: Bayfield County Forest Timber Sale Summary

Calendar Year	Sales Offered	Acres Offered	Sales Sold	Acres Sold	Acres Not Sold	Timber Sale Bid Values	Bid Value per Acre	Timber Revenues
2007	59	3,771	45	3,157	614	\$2,140,897	\$678	\$2,167,156
2008	58	3,546	55	3,507	39	\$2,381,513	\$679	\$2,621,308
2009	45	3,297	42	3,100	197	\$2,510,601	\$810	\$2,305,259
2010	40	3,218	40	3,218	0	\$2,404,178	\$747	\$2,047,663
2011	54	4,156	54	4,156	0	\$3,629,330	\$873	\$2,477,066
2012	53	4,782	53	4,782	0	\$4,900,194	\$1,025	\$2,696,756
2013	54	4,275	53	4,177	98	\$3,614,091	\$865	\$3,904,104
2014	61	4,388	61	4,388	0	\$5,252,530	\$1,197	\$4,537,661
2015 ^a	57	5,215	54	4,958	257	\$6,507,887	\$1,313	\$5,006,565
2016 ^b	64	4,750	64	4,750	0	\$4,745,850	\$999	\$5,057,393
2017	53	4,272	50	4,101	171	\$3,719,320	\$907	\$5,009,892
2018	56	4,568	49	3,813	755	\$3,509,971	\$921	\$4,562,243
2019	59	5,031	52	4,267	764	\$4,163,432	\$976	\$4,171,667
2020 ^c	60	5,200	52	4,500	700	\$3,665,000	\$814	\$2,950,000
2021	55	4,800	50	4,200	600	\$3,250,000	\$774	\$2,950,000
Average	55	4,351	52	4,072	280	\$3,759,653	\$905	\$3,497,649

^a Includes \$13,506.80 generated from the management of non-county forest lands.

^b Includes \$15,393.90 generated from the management of non-county forest lands.

^c Includes five salvage sales covering roughly 425 acres.

Periodically, the Forestry and Parks Department manages county owned forest land that is not part of the County Forest. Much of this land was included with the 2015 Stewardship grant and was enrolled in County Forest Law (CFL). However, a few parcels will remain as county owned, without the County Forest designation. When these parcels are managed, sale of wood revenues are designated as non-CFL in the budget. At this time, revenue from the management of non-CFL forest lands is not anticipated in 2020 or 2021.

Traditionally, timber markets have been fairly volatile and can fluctuate significantly, thus having the potential to produce substantial disparities in annual revenue. Because the annual sustainable timber harvest goals have remained relatively constant since 2011 (with the associated total volume of timber products advertised as part of those timber sales also remaining constant), the value of new sales sold per year is a solid indication of market conditions.

In 2014, the total value of new timber sales sold was over \$5.25 million. In 2015, new sales sold reached a peak of nearly \$6.51 million. However, market conditions began to recede in 2016 and, as a result, so too did the value of new sales, at nearly \$4.75. Timber markets continued to decline in 2017, with the value of new sales also dropping to nearly \$3.72 million. There was actually a brief increase in markets in 2019, before the sharp crash during the 2020 COVID-19 crisis. These unprecedented conditions have made it nearly impossible to predict how markets will respond, both for the remainder of 2020, as well as all of 2021.

The average prices received per acre for sales sold from 2014 through 2016 was roughly \$1,170 (with a peak of over \$1,300 per acre in 2015). The average prices received per acre for sales sold in 2017 and 2018 was roughly \$915. Average prices in 2019 increased to roughly \$976/acre. In general, the per acre values of new sales sold have declined by roughly 25 to 30% since the peak amount received in 2015. A decrease in prices is expected to continue for new sales this fall, as well as those sold in early 2021.

At present, market conditions, both short and long term, are nearly impossible to predict. Prior to 2011, this Department averaged approximately \$2.36 million in new timber sales sold per year. Since 2012, the average total value of new sales is approximately \$4.5 million, an increase of nearly two-fold.

Table 2 displays the budgeted and actual sale of wood revenues since 2007. Sale of wood revenues occasionally include volumes harvested from non-CFL lands (the actual revenues for 2020 and 2021 are estimated):

Table 2: Bayfield County Forest Sale of Wood Revenues

Calendar Year	Revenues Budget	Revenues Actual	Difference
2007	\$1,705,000	\$2,167,156	\$462,156
2008	\$1,700,000	\$2,621,308	\$921,308
2009	\$1,727,400	\$2,305,259	\$577,859
2010	\$1,820,500	\$2,047,663	\$227,163
2011	\$1,996,000	\$2,477,066	\$481,066
2012	\$2,195,000	\$2,696,756	\$501,756
2013	\$2,400,000	\$3,904,104	\$1,504,104
2014 ^a	\$2,751,565	\$4,537,661	\$1,786,096
2015 ^b	\$3,404,306	\$5,006,565	\$1,602,259
2016 ^b	\$3,139,200	\$5,057,393	\$1,918,193
2017	\$3,110,000	\$5,009,892	\$1,899,892
2018	\$3,230,000	\$4,562,243	\$1,332,243
2019	\$3,325,000	\$4,171,667	\$846,667
2020	\$3,355,000	\$2,950,000	-\$405,000
2021	\$2,950,000	\$2,950,000	\$0
Average	\$2,587,265	\$3,497,649	\$910,384

^a Amended budget

^b Amended budget. Includes revenue from county owned land not part of the county forest

Fully capturing the sustainable harvest potential of the forest, combined with a very strong market, sparked the record revenues received from 2015 through 2017. However, as previously stated, timber markets are volatile and stumpage prices are a reflection of market conditions.

Over the long term, the sustainable harvest goal is projected to remain constant and is really the only part of the equation that is controllable. Markets are the other part and, unfortunately, almost completely out of our control. When markets are strong, stumpage revenues should hover around \$5.0 million per year (like they were from 2015-2017); when markets are poor, \$3.40 to \$3.75 million per year is a realistic expectation; when markets are good (average), stumpage revenues should average around \$4.0 to \$4.25 million per year. However, when in the middle of an economic crisis (like the region is in now), there is no solid foundation upon which to make a prediction. In the end, continuing to realize the sustainable management potential of the forest and offer high quality sales for competitive bidding are two critical parts of the overall revenue model.

The new forester position has been in place for over nine full seasons. Production or outputs, as well as revenues, have normalized. Investing in the additional forester position has had the greatest impact on the overall budget. Prior to 2011, the Department sold an average of roughly 3,000 acres per year in new timber sales. Since then, that average has been nearly 4,450 acres (an increase of 1,450 acres or nearly 50%). When market conditions are strong, the acreage managed via the new forester position can produce upwards of \$1.80 million in additional revenue; when markets are average, it can produce in the ballpark of \$1.30 million; and when markets are down, roughly \$1.0 million. Without the investment in the additional position, none of this revenue potential would have been realized.

When analyzing timber sale revenues and the results from previous timber sale offerings, general patterns develop that allow the Department to estimate when to expect proceeds from existing contracts. In general, timber sale contracts are two years in length, with the potential for two one-year extensions (and sometimes more). In other words, it can take up to four years before the full value of a timber sale is realized. Roughly 40 to 45% of the revenue generated during any calendar year comes from contracts sold during the previous year. Approximately 20 to 25% comes from those sold during the current year, 15 to 20% from two years prior, 5 to 10% from three years prior and the rest beyond that.

For example, based on the above model, for the 2021 budget, the general expectation is that 20% of the revenue generated in 2021 will come from sales sold in 2021 (which is an unknown); 45% from sales sold in 2020 (which, at the time of budget development, is a partial unknown, as sale offerings occur in May and November each year); 20% from sales sold in 2019; 10% from sales sold in 2018 and the rest from 2017 and 2016.

Markets and weather conditions are also primary drivers of timber sale activity, both of which are extremely difficult to predict. However, many of the previously stated concerns headed into 2021, including the unprecedented market conditions, have the potential to impact this model (as it's based primarily on normal conditions). And is the primary reason for the very conservative timber sale revenue estimates for 2020 and 2021.

When estimating timber sale revenue for 2021, all of the variables mentioned above are considered, leading to an extremely conservative estimate of \$2.95 million. It should be noted that the unprecedented market conditions are the driving force behind the low revenue estimate. If market conditions improve, timber sale revenue could very likely be much higher in 2021.

Under normal (or near normal) market conditions, \$3.4 to \$3.8 million in timber sale revenue would be realistically attainable. If markets improve and if a higher revenue is predicted, a budget amendment may be required to reflect the improved conditions.

The Department is also currently exploring the potential of marketing forest carbon offsets. While still in the early stages of the process, marketing (selling) forest carbon offsets has the potential to generate a fairly substantial source of annual revenue. Carbon is a different type of forest product and differs from one of the more traditional forest management strategies (timber harvesting). If determined to be a viable project, the Department will strive to develop a plan that incorporates strategies to balance the optimal production of timber products and the sequestration of additional forest carbon (that would then be marketed). Revenue from the marketing of forest carbon offsets could be realized starting in early 2021.

Other Revenues: Grants, Aids and Loans

Table 3 displays total actual revenues received per account type since 2006. Revenues for 2020 are estimated. Revenues for 2021 are based on the estimated budget:

Table 3: Forest Management Program Revenues per Account Type (2020 & 2021 are estimates)

Year	Sale of Wood ¹	Grants ²	Road Aid	Loans	Permits	Sand/Gravel	Leases	Other ³	Total
2006	\$1,615,584	\$51,536	\$8,037	\$84,548	\$1,160	\$165	\$0	\$37,948	\$1,798,978
2007	\$2,167,270	\$61,142	\$9,418	\$84,588	\$850	\$5,168	\$0	\$165,584	\$2,494,020
2008	\$2,621,308	\$115,456	\$10,440	\$84,588	\$995	\$3,060	\$0	\$1,263	\$2,837,110
2009	\$2,305,259	\$87,996	\$12,126	\$84,669	\$553	\$150	\$0	\$2,309	\$2,493,062
2010	\$2,047,663	\$75,645	\$11,390	\$84,667	\$2,715	\$9,442	\$0	\$2,532	\$2,234,054
2011	\$2,477,066	\$98,713	\$11,347	\$84,667	\$2,004	\$563	\$0	\$26,989	\$2,701,349
2012	\$2,696,756	\$80,299	\$11,330	\$0	\$1,597	\$19,544	\$8,034	\$29,309	\$2,846,869
2013	\$3,904,104	\$117,504	\$11,896	\$0	\$2,320	\$0	\$8,275	\$3,978	\$4,048,077
2014	\$4,555,303	\$65,082	\$11,917	\$0	\$1,090	\$16,500	\$8,523	\$10,443	\$4,668,859
2015	\$5,006,565	\$2,337,972	\$11,918	\$0	\$1,835	\$0	\$8,779	\$3,492	\$7,370,561
2016	\$5,057,393	\$96,868	\$11,942	\$0	\$1,689	\$0	\$9,042	\$35,684	\$5,212,618
2017	\$5,009,892	\$125,502	\$11,953	\$0	\$1,800	\$19,125	\$9,314	\$90,472	\$5,268,058
2018	\$4,562,243	\$87,889	\$11,849	\$0	\$2,972	\$0	\$9,593	\$101,681	\$4,776,227
2019	\$4,171,667	\$130,888	\$11,836	\$0	\$1,750	\$0	\$9,881	\$14,894	\$4,340,916
2020	\$2,950,000	\$197,313	\$13,327	\$0	\$500	\$250	\$10,577	\$18,414	\$3,190,381
2021	\$2,950,000	\$133,200	\$13,325	\$0	\$500	\$1,000	\$11,082	\$55,000	\$3,164,107
Avg	\$3,409,872	\$248,654	\$11,382	\$31,733	\$1,521	\$4,685	\$5,819	\$36,333	\$3,752,076

¹ Includes revenue from county owned land not part of the county forest.

² CY 2015 includes revenue received from the Knowles-Nelson Steward Grant for land acquisition (\$2,259,857.46).

³ Includes donations, equipment sales, land sales, use agreements, general fund transfers, etc.

Revenues from other sources, including grants, aids and leases, are estimated to remain relatively stable in 2021. Numerous fixed and miscellaneous competitive grants are applied for throughout the year and have the potential to provide additional significant revenues. The fixed or known grants are included in the budget figures, while those that are competitive or unknown are not,

though, if awarded, have the potential to significantly increase revenues. Substantial grant awards also generally require a budget amendment.

Deadlines for grant applications can vary widely, with many due well after budgets have been established. If awarded, some grants, especially those of significant size, have the potential to impact the annual budget and will require a budget amendment (which typically occurs around the end of the year).

The WDNR Sustainable Forestry Grant and Arbor Day Grant are two good examples of grants that have been received mid-budget. In 2015, a Knowles-Nelson Stewardship Land Acquisition grant was awarded to the Department. This grant was valued at \$2,259,857 and was used towards the purchase of 1,855 acres of forest land (747 acres of county owned, non-CFL lands was also part of the project – totaling 2,602 acres). Another Stewardship grant was awarded in late 2018, with a value of nearly \$500,000.

Table 4 isolates and summarizes the total actual amount of revenues received from the major grants, aids and leases awarded to the Department from 2008-2021, with an emphasis on the fixed or known awards (the amounts for 2020 and 2021 are estimated):

Table 4: Bayfield County Forestry and Parks Department Revenue Summary from Major Grants, Aids, Leases & Agreements

Year	County Forest Admin.	Wildlife Habitat Improvement ^a	County Forest Road Aid	Sustainable Forestry	County Conservation	Arbor Day ^b	Tower Lease	GNA	Fire MOU	Total
2008	\$31,933	\$16,929	\$10,440	\$39,720	\$4,125	\$0	\$0	\$0	\$0	\$103,146
2009	\$35,762	\$16,945	\$12,126	\$33,000	\$2,289	\$0	\$0	\$0	\$0	\$100,122
2010	\$44,039	\$8,472	\$11,390	\$6,205	\$3,807	\$20,400	\$0	\$0	\$0	\$94,313
2011	\$44,039	\$8,472	\$11,347	\$0	\$0	\$46,202	\$0	\$0	\$0	\$110,060
2012	\$46,877	\$8,472	\$11,330	\$0	\$6,500	\$18,450	\$8,034	\$0	\$0	\$99,663
2013	\$47,814	\$8,416	\$11,896	\$46,329	\$0	\$12,450	\$8,275	\$0	\$0	\$135,179
2014	\$52,885	\$8,015	\$11,917	\$0	\$4,183	\$0	\$8,523	\$0	\$0	\$85,522
2015	\$51,210	\$7,991	\$11,918	\$0	\$0	\$13,260	\$8,779	\$0	\$0	\$93,158
2016	\$51,382	\$7,986	\$11,942	\$37,500	\$0	\$20,250	\$9,042	\$0	\$0	\$138,102
2017	\$53,595	\$8,068	\$11,953	\$0	\$24,211	\$4,340	\$9,314	\$39,628	\$0	\$151,109
2018	\$52,938	\$8,058	\$11,849	\$0	\$8,014	\$16,336	\$9,593	\$9,393	\$9,486	\$125,667
2019	\$60,704	\$20,057	\$11,836	\$4,375	\$4,235	\$5,000	\$9,881	\$41,516	\$0	\$157,604
2020 ^c	\$67,100	\$53,213	\$13,327	\$40,000	\$7,000	\$5,202	\$10,577	\$30,000	\$0	\$226,419
2021 ^c	\$65,000	\$8,200	\$13,325	\$25,000	\$5,000	\$8,000	\$11,082	\$30,000	\$0	\$165,607
Average	\$50,377	\$13,521	\$11,900	\$16,581	\$4,955	\$12,135	\$6,650	\$10,753	\$678	\$127,548

^a starting in 2019, includes the Wisconsin Habitat Partnership Grant (Pittman-Robertson).

^b includes similar donations.

^c estimates.

The County Forest Administrator grant, Wildlife Habitat Improvement grant, County Forest Road aids, County Conservation grant and Tower lease are all fixed awards/revenue sources and can be relied upon annually. However, many of the above mentioned awards are based upon formulas and capped at specific levels, so funding amounts can, and do, fluctuate slightly on an annual basis.

The Sustainable Forestry Grant and Arbor Day grant are both competitive and, as such, are not guaranteed. The agreements for the Good Neighbor Authority (GNA) and Fire MOU will be

relatively constant for as long as the programs remain in place. However, workloads associated with GNA will be highly variable and are primarily contingent upon the number of stands available for management, as well as the amount of staff interested in the additional responsibility. As a result, budgets are conservatively estimated.

In 2019 and 2020, revenues for the WDNR Wildlife Habitat Improvement grant also includes funding from the newly created Wisconsin Habitat Partnership Fund (Pittman-Robertson or PR). The PR grant has not yet been confirmed in 2021, so was not included in the budget. Also, the County Forest Road Aids are expected to increase in 2021 (or be fully appropriated at \$336/mile).

Starting in 2016, the Department entered into an agreement with the state to assist in the establishment of timber sales on federal land. Termed Good Neighbor Authority (GNA), as part of the agreement county staff are essentially contractors of the state with the goal of assisting in the management of Forest Service properties (exclusively on the Chequamegon-Nicolet National Forest). All Departmental expenses associated with the establishment of timber sales, as part of GNA, are reimbursed through the agreement. In addition, the Department is reimbursed overhead, typically at a rate somewhere between 8 and 10% of total expenses. The budget for GNA revenues is estimated to be \$30,000 in 2020 and was also set at \$30,000 for 2021. Expenses will generally offset revenues, but are estimated to be 8 to 10% lower, depending on the calculated overhead rates.

In 2018, the Department entered into another agreement (Fire MOU) with the state, this time to assist in the suppression of forest fires within the State of Wisconsin. When requested, and available, select Department staff will provide assistance, in the form of labor and equipment, in the suppression of forest fires. The budget for fire suppression was set at \$0.00 in 2021, but could change if our services are required. Similar to GNA, if fire assistance is required as part of the MOU, all expenses incurred by the department are fully reimbursed by the state.

The total amount of revenue to be received from the various grants, aids and leases is estimated to be approximately \$165,607 in 2021.

Total Revenues: Forest Management Program

In summary, 2021 budgeted sale of wood revenues decreased by roughly 12% when compared to the adopted 2020 budget. However, until 2021, the budget for sale of wood revenues had steadily increased over the past decade, by over 90% since 2007.

Total revenues for the forest management program are projected to be roughly \$3.164 million, which is roughly 12% less than 2020, but still nearly 30% more than the average from 2010-2015.

Table 5 summarizes the adopted budget, amended budget and total actual amount of revenue allocated to the forest management program from 2010 – 2021 (2020 and 2021 are estimated).

Table 5: Total Budgeted Revenues - Forest Management Program

Calendar Year	Adopted Budget		Amended Budget		Actual	
	Sale of Wood	Total	Sale of Wood	Total	Sale of Wood	Total
2010	\$1,800,000	\$1,979,155	\$1,820,500	\$1,999,655	\$2,047,663	\$2,234,054
2011	\$1,995,000	\$2,182,591	\$1,996,000	\$2,270,841	\$2,477,066	\$2,701,349
2012	\$2,195,000	\$2,458,679	\$2,195,000	\$2,460,449	\$2,696,756	\$2,846,869
2013	\$2,400,000	\$2,655,270	\$2,410,000	\$3,019,116	\$3,904,534	\$4,092,022
2014	\$2,500,000	\$2,584,142	\$2,751,565	\$2,835,707	\$4,555,303	\$4,668,859
2015 ^a	\$2,820,000	\$2,910,204	\$3,404,306	\$5,797,998	\$5,006,565	\$7,370,561
2016	\$2,925,000	\$3,019,180	\$3,139,200	\$3,233,380	\$5,057,393	\$5,212,618
2017	\$3,110,000	\$3,263,241	\$3,300,989	\$3,454,230	\$5,009,892	\$5,268,058
2018	\$3,230,000	\$3,434,430	\$3,478,080	\$3,682,510	\$4,562,243	\$4,776,227
2019	\$3,325,000	\$3,550,201	\$3,409,667	\$3,634,868	\$4,171,667	\$4,340,916
2020	\$3,355,000	\$3,612,325	\$3,355,000	\$3,612,325	\$2,950,000	\$3,190,381
2021	\$2,950,000	\$3,164,107	\$2,950,000	\$3,164,107	\$2,950,000	\$3,164,107
Average	\$2,717,083	\$2,901,127	\$2,850,859	\$3,263,766	\$3,782,424	\$4,155,502

^a includes \$2.260 million Stewardship Grant for land acquisition.

Revenues: Recreation/Parks Program

Parks/Campgrounds

The Forestry Department was assigned the management of all county owned parks in 2011. The four county managed parks include three campgrounds: Twin Bear, Delta Lake and Big Rock; and one day use park: Atkins Lake.

Table 6 summarizes the actual annual revenues per park (2020 and 2021 are estimated):

Table 6: Annual Distribution of Net Revenues for the Parks Program (2020 and 2021 are estimated)

Year	Twin Bear				Delta Lake				Big Rock				Atkins Lake				Grand Total
	Camp	Boat Launch	Other*	Total	Camp	Boat Launch	Other*	Total	Camp	Boat Launch	Other*	Total	Camp	Boat Launch**	Other*	Total	
2011	\$41,440	\$7,040	\$2,370	\$50,849	\$22,367	\$801	\$42	\$23,210	\$2,812	\$0	\$0	\$2,812	\$0	\$261	\$0	\$261	\$77,131
2012	\$47,855	\$6,163	\$2,430	\$56,448	\$27,080	\$861	\$57	\$27,998	\$3,860	\$0	\$0	\$3,860	\$0	\$215	\$0	\$215	\$88,521
2013	\$44,602	\$5,324	\$2,092	\$52,018	\$18,982	\$912	\$55	\$19,950	\$3,524	\$0	\$0	\$3,524	\$0	\$181	\$0	\$181	\$75,672
2014	\$46,523	\$4,649	\$2,649	\$53,822	\$18,201	\$1,005	\$97	\$19,303	\$3,733	\$0	\$0	\$3,733	\$0	\$689	\$0	\$689	\$77,547
2015	\$48,156	\$6,152	\$2,528	\$56,835	\$18,327	\$981	\$868	\$20,176	\$5,118	\$0	\$0	\$5,118	\$0	\$0	\$0	\$0	\$82,129
2016	\$48,472	\$6,109	\$2,673	\$57,254	\$23,399	\$952	\$908	\$25,258	\$6,209	\$0	\$0	\$6,209	\$0	\$0	\$0	\$0	\$88,721
2017	\$55,965	\$5,949	\$2,703	\$64,617	\$29,273	\$1,336	\$1,096	\$31,705	\$7,689	\$0	\$0	\$7,689	\$0	\$0	\$0	\$0	\$104,011
2018	\$53,928	\$7,559	\$2,710	\$64,197	\$32,601	\$910	\$1,128	\$34,639	\$7,246	\$0	\$0	\$7,246	\$0	\$0	\$0	\$0	\$106,082
2019	\$56,775	\$7,341	\$3,322	\$67,439	\$39,072	\$787	\$1,218	\$41,077	\$6,839	\$0	\$0	\$6,839	\$0	\$0	\$0	\$0	\$115,355
2020	\$53,000	\$9,000	\$5,300	\$67,300	\$31,000	\$1,200	\$2,250	\$34,450	\$8,250	\$0	\$0	\$8,250	\$0	\$0	\$0	\$0	\$110,000
2021	\$57,500	\$7,500	\$4,000	\$69,000	\$36,500	\$1,000	\$1,500	\$39,000	\$7,000	\$0	\$0	\$7,000	\$0	\$0	\$0	\$0	\$115,000
Avg	\$50,383	\$6,528	\$2,878	\$59,078	\$26,030	\$974	\$772	\$27,777	\$5,662	\$0	\$0	\$5,662	\$0	\$122	\$0	\$122	\$92,517

* Includes boat mooring, boat rental, dump station and shower fees, if applicable.

** Starting in 2015, there is no charge for the use of the Atkins Lake boat launch.

Revenues for the parks come in a variety of forms, including camping (the primary revenue source), boat launch, boat mooring, and kayak/canoe rental, among others. Revenues received from camping account for roughly 89% of the total receipts from the parks program.

In 2016, the parks program established a new record in total revenues at \$88,721. In 2017, that record was shattered, as total revenues exceeded the \$100,000 mark (at just over \$104,000). In 2018, total revenues established yet another record at \$106,082, which was promptly eclipsed by the amount received in 2019 (\$115,355).

The campgrounds were completely re-structured in 2020 to address potential public health and safety concerns surrounding COVID-19. As a result, transient camping was eliminated at Twin Bear and Delta Lake campgrounds, while seasonal camping was increased. Numerous additional changes were also made throughout the campgrounds to address COVID-19 related concerns. While the estimated revenue for 2020 is predicted to actually meet the budgeted amount (\$110,000), it will fall short of expectations sans the COVID-19 crisis.

Since 2011, when the management of the parks first moved to Forestry, total revenues have increased by over 40%. Achieving that milestone is a direct result of significant modifications made throughout all facilities, particularly the two most prominent campgrounds, Twin Bear and Delta Lake.

Prior to the past few seasons, park revenues had peaked in 2012, which was directly correlated to a period of time when the total number of seasonal campsites were at an all-time high. Since 2012, the Department restructured the number and placement of seasonal sites, with an emphasis on designating prime locations for transient use and significantly reducing the number of campsites that could be rented for an entire season.

The goal of that re-structure was to attract a greater number of transient and day users, with the hope that more families and individuals could enjoy the facilities. Seasonal sites essentially provided upfront, guaranteed revenue. So, reducing the number of seasonal campsites available would come at a short term cost.

As with any modification, expected results can be somewhat slow to develop. Revenues declined slightly in 2013, but slowly increased every year thereafter, until reaching new record levels in 2016 through 2019. In addition to the revenue generating activities like camping and the boat launch, improvements to the beaches, the installation of new playground equipment and investments made in additional fishing piers have contributed to the dramatic increase in day use, especially at Twin Bear and Delta Lake. Plus, Wi-Fi was added at both Twin Bear and Delta Lake (which is included in the rental price).

As previously stated, the new model hit a minor speed bump in 2020 when changes were made to address the COVID-19 crisis. Since the outlook for 2021 remains unclear during the time of budget preparations, it is very likely that some modifications to the camping structure may still be applied next season. If so, the camping structure could look very similar to 2020 (with all seasonals and no transients) or it could involve a slight modification to the previous model.

For CY 2021, total revenues from the Parks program are conservatively estimated at \$115,000. Weather conditions can have a significant impact on potential revenues, which factors into the conservative estimate. However, the current state of the COVID-19 crisis will most likely have some level of influence on the 2021 season.

Table 7 summarizes actual revenues received as part of the Parks program per major category (2020 and 2021 are estimated):

Table 7: Total Parks Revenue by Category

Year	Camping	Boat Launch	Other	Total
2011	\$66,619	\$8,101	\$2,411	\$77,131
2012	\$78,795	\$7,239	\$2,487	\$88,521
2013	\$67,108	\$6,418	\$2,147	\$75,672
2014	\$68,458	\$6,343	\$2,746	\$77,547
2015	\$71,600	\$7,133	\$3,396	\$82,129
2016	\$78,080	\$7,061	\$3,581	\$88,721
2017	\$92,927	\$7,285	\$3,799	\$104,011
2018	\$93,774	\$8,469	\$3,838	\$106,082
2019	\$102,686	\$8,128	\$4,540	\$115,355
2020	\$92,250	\$10,200	\$7,550	\$110,000
2021	\$101,000	\$8,500	\$5,500	\$115,000
Avg.	\$83,027	\$7,716	\$3,818	\$92,517

In 2021, camping revenues are predicted to increase by nearly \$40,000 when compared to what was received in 2011. Boat launch returns are expected to remain relatively constant, but other revenues are also expected to increase (primarily as a result of additional boat mooring options).

To put the camping revenue increase into perspective, one seasonal site produces camping opportunities for one family (for the entire season). At Twin Bear and Delta Lake, it basically costs \$29/night to camp (with some price modifications if rented by the week, or longer). Because seasonal campsites were significantly reduced in number, the increase in camping revenues are mainly directly related to an increase in transient campers.

An additional \$10,000 in transient camping translates into about 350 nightly rentals (individuals or families). So far, the Department has accomplished the goal of increasing the overall use of our facilities and have significantly increased revenues as a result.

Yurts – County Forest

In late 2016, the Department finished the construction of two rustic yurts. These yurts are located on county forest land, with the goal of providing rustic camping opportunities to the public. One yurt is located in the Town of Bayfield, west of Mt. Ashwabay, and the other is located in the Town of Cable, east of the North End cabin. Both yurts are located adjacent to designated and maintained non-motorized recreational networks and have direct, four season access to mountain bike, cross-country ski, snowshoe and hiking trails.

Each yurt comes equipped with a deck, wood burning stove (firewood provided), two bunkbeds, outdoor pit toilet, outdoor fire pit area, and numerous picnic tables. No power. No access to potable water. No garbage bins. Pack out what you pack in ethics apply and people are expected to clean up after themselves. To date, use has wildly exceeded expectations and people are absolutely loving the experience.

Table 8 summarizes the occupancy rates and net revenues received from each yurt, per location (2020 and 2021 are estimated).

Table 8: Yurt Occupancy (Nights Rented) and Total Net Revenue¹

Year	Bayfield - Evergreen ²		Bayfield - Terra Cotta ³		Cable ⁴		Total	
	Occupancy	Net Revenue	Occupancy	Net Revenue	Occupancy	Net Revenue	Occupancy	Net Revenue
2016	42	\$2,368.60	0	\$0.00	15	\$837.90	57	\$3,206.50
2017	269	\$15,640.51	0	\$0.00	168	\$9,904.86	437	\$25,545.37
2018	260	\$14,840.87	30	\$1,712.41	180	\$11,452.48	470	\$28,005.76
2019	255	\$15,982.10	238	\$16,114.74	167	\$10,357.22	660	\$42,454.06
2020	170	\$11,000.00	155	\$10,000.00	150	\$9,000.00	475	\$30,000.00
2021	240	\$15,000.00	220	\$15,000.00	170	\$10,000.00	630	\$40,000.00
Total	1,236	\$74,832.08	643	\$42,827.15	850	\$51,552.46	2,729	\$169,211.69
Average ⁵	239	\$14,492.70	204	\$13,704.91	167	\$10,142.91	534	\$33,201.04

¹ The following fees/taxes apply to each reservation: Airbnb 3%; State sales tax 5.5% (Airbnb started collecting state sales tax in 2018);

Cable room tax 4% (only at Cable location); Bayfield room tax 6.5% (only at Bayfield locations).

² The Bayfield - Evergreen location went live on October 8, 2016. Starting in 2019, the rental rate is \$70/night.

³ The Bayfield - Terra Cotta location went live in September 2018. Starting in 2019, the rental rate is \$75/night.

⁴ The Cable location went live on November 12, 2016. Rental rate is \$65/night.

⁵ Averages based on one full year of occupancy: Evergreen and Cable since 2017 and Terra Cotta since 2019

The yurt in Bayfield (now called Evergreen) commands an exceptional view of Lake Superior and the Onion River Valley, while the yurt in Cable provides a classic back country, Northwoods experience. Both are 5 to 10 minute hikes from the designated parking areas (no motorized public access). Both yurts are listed and managed, by the Department, exclusively through Airbnb, currently at the rate of \$65.00/night (Cable) and \$70.00/night (Evergreen).

In the September 2018, construction was completed on a third rustic yurt. The third unit (now called Terra Cotta) is located about ¼ mile away from the existing yurt at the Bayfield location. This yurt also has a commanding view of Lake Superior, facing towards Pike's Bay. Terra Cotta has a slightly larger deck than Evergreen (to soak in the sunrises over Lake Superior), but, otherwise, is nearly identical to the previous two.

In 2017, the revenue budget for yurt rentals was set at a conservative \$12,000, which equates to an occupancy rate of about 25% for each yurt. Actual total yurt net revenues for 2017 were more than double the budget at just over \$25,500 (occupancy rates at the Bayfield and Cable locations were 73% and 45%, respectively). In 2018, a total of 470 nights were rented across all yurts, generating a little over \$28,000 in total revenue and in 2019 a combined total of 660 nights were rented generating nearly \$42,500 in return.

Slightly more revenues were expected in 2020, but everything changed with COVID-19. The yurts were closed for the second half of March, as well as all of April and most of May. Once they were re-opened, numerous days per month were blocked from rental to allow for additional cleaning and rest time. As a result, total revenues from yurt rentals are expected to decrease in 2020. A combined revenue total of \$30,000 is predicted for 2020.

The addition of the third yurt has increased the overall revenue from rentals. A total of \$40,000 is budgeted for 2021. If revenues remain close to predicted, the yurts will have generated a total of nearly \$170,000 by the end of 2021. The total cost of constructing all three yurts (combined) was roughly \$115,000. When also considering routine maintenance expenses, if revenue predictions hold true, the return on investment (ROI) will be roughly 4.5 years.

Because the current demand at the Bayfield locations are high, especially during the summer months (in 2017 through 2019, between the months of June through August, the occupancy rate at the Bayfield locations has ranged between 95% and 100%), it may take a few years to understand the full potential of this area. As a result, use rates are being estimated conservatively, as are total revenues. Also, the current COVID-19 crisis may impact use rates in 2021. If the pandemic is not yet under control and additional days of closure are required, the actual return from yurts in 2021 could be much lower than the budget.

Net revenues for yurt rentals in 2021 are estimated to be \$40,000, which, again, is conservative, especially considering the general lack of long term use histories.

Revenues: Trails Program

The primary source of revenue for the trails program comes from the State of Wisconsin in the form of maintenance on existing trails. The Forestry and Parks Department was assigned the management of the county trails program starting the summer of 2013. This primarily includes the active field management of the county wide, state funded ATV/UTV and snowmobile trail programs. Promotion and advertising of the state funded trail system will still be handled by the Tourism Department, but with direct assistance from Forestry and Parks.

Table 9 summarizes the total amount of annual maintenance funds received per trail type:

Table 9: Mileage and Funding For Trails Managed by Bayfield County¹

Trail Type	Miles	Rate/Mile	Total
Snowmobile Maintenance	454.41	\$300	\$136,323
ATV Summer Maintenance	86.75	\$600	\$52,050
ATV Winter Maintenance	177.13	\$200	\$35,426
UTV Maintenance	86.75	\$100	\$8,675
Total	805.04		\$232,474

¹ Designated motorized trails as part of the state funded network.

Additional state grants for new trails, or repairs to existing infrastructure, are also applied for annually. Awards are based primarily on available funding and are not guaranteed from year to year. Bayfield County also typically receives a state supplemental snowmobile trail grant every year (if applicable). These grants can be used to help cover the costs of maintaining trails, where routine maintenance has exceeded available funds.

Supplemental funds are also subjected to availability, are pro-rated based on the amount requested from other county applications throughout the state and, therefore, are not guaranteed to cover 100% of the overage. Depending on these factors, Bayfield County has seen supplemental requests funded at rates from 60% to 100%. The average amount of supplemental funds received since 2016 is roughly \$78,000, with a record amount of nearly \$171,000 in 2020 (which will require a year-end budget amendment). An amount of \$78,000 in supplemental is being budgeted in 2021.

Most supplemental and new project grants are awarded after the completion of the budget. Budgets are typically amended to reflect the value of awarded new projects.

Table 10 describes the total amount of snowmobile supplemental payments received since 2016 (2021 is estimated).

Table 10: Actual Snowmobile Supplemental Payments

Calendar Year	Supplemental Payment
2016	\$56,933
2017	\$0
2018	\$100,560
2019	\$64,378
2020	\$170,541
2021	\$78,000
Average	\$78,402

The total estimated revenue budget for trails in 2021 is \$323,036 (which reflects the amounts associated with routine annual maintenance and snowmobile supplemental).

Total Revenues: Forestry, Parks and Trails

Total revenues for the combined management of the Forestry, Parks/Recreation and Trails programs are estimated to be \$3,642,143 in 2021. This represents a decrease of about 11% when compared to the 2020 budget, but an increase of nearly 3% from what was budgeted in 2017. Total estimated revenues are expected to be roughly \$3.9 million in 2020.

As previously stated, due to a variety of reasons, sale of wood revenue has traditionally been estimated conservatively. As a result, actual revenues have routinely exceeded the budget, oftentimes significantly. From 2007 through 2019, actual sale of wood revenues have exceeded

budgeted revenues every year, by an average of nearly 40%, with 2013 through 2017 generating substantial surpluses (see Table 2).

Table 11 describes total budgeted revenues per program type from 2007-2021 (2020 and 2021 are estimated).

Table 11: Total Budgeted Revenues Per Program¹

Calendar Year	Forest Management	Parks²	Recreation³	Parks & Rec. Total	Total
2007	\$1,876,471	\$0	\$0	\$0	\$1,876,471
2008	\$1,912,971	\$0	\$0	\$0	\$1,912,971
2009	\$1,991,363	\$0	\$0	\$0	\$1,991,363
2010	\$1,979,155	\$0	\$0	\$0	\$1,979,155
2011	\$2,182,591	\$87,250	\$0	\$87,250	\$2,269,841
2012	\$2,458,679	\$80,000	\$0	\$80,000	\$2,538,679
2013	\$2,655,270	\$80,000	\$352,878	\$432,878	\$3,088,148
2014	\$2,584,142	\$80,000	\$195,465	\$275,465	\$2,859,607
2015	\$2,910,204	\$83,000	\$272,832	\$355,832	\$3,266,036
2016	\$3,019,180	\$78,000	\$220,385	\$298,385	\$3,317,565
2017	\$3,263,241	\$97,500	\$186,790	\$284,290	\$3,547,531
2018	\$3,434,430	\$115,500	\$230,490	\$345,990	\$3,780,420
2019	\$3,550,201	\$136,932	\$257,437	\$394,369	\$3,944,570
2020	\$3,612,325	\$206,000	\$287,008	\$493,008	\$4,105,333
2021	\$3,164,107	\$155,000	\$323,036	\$478,036	\$3,642,143
Average	\$2,706,289	\$109,017	\$258,480	\$367,497	\$3,073,785

¹ *Adopted Budget*

² *Starting in 2017, includes revenue from yurts.*

³ *2013 figure includes already approved new trail construction grants when transferred to Forestry*

From 2011 through 2019 a total of nearly \$12.0 million in surplus timber sale revenues have been deposited into the general fund. Surplus is generally defined as revenue received above and beyond what has been budgeted. For example, from 2011-2019 a total of nearly \$37.5 million in timber sale revenue has been received by the Department. Of that total, roughly \$25.5 million was budgeted, with the rest coming as surplus. However, the prediction is to generate less timber sale revenue than what was budgeted in 2020. This would mark the first time in over two decades that the Department has generated less timber sale revenue than what was budgeted.

In general, the reasons for conservative stumpage estimates are primarily three-fold: 1) as a reaction to the long-term nature of the Departments timber sale contract (as described previously); 2) due to relative instabilities in wood markets; and 3) due to unpredictable weather/seasonal conditions. To budget accurately, the Department is projecting when a sale will be harvested (at some point over, potentially, a four year period) and forecasting market conditions at the time when future sales are sold. Both predictions combine elements of risk and

speculation, hence the conservative estimates. Now, the complications surrounding COVID-19 have created even more uncertainty and market instability.

Since 2007, the Department has steadily increased budgeted sale of wood revenues, with the amount budgeted in 2020 nearly doubling the figure from 2007. In general, the budget for sale of wood revenues has increased by a total of nearly \$1.4 million since 2011 (see Table 2). That equates to an average increase of roughly \$136,000 per year over that same time period. However, due to the previously mentioned instabilities and uncertainties created primarily by market reactions to COVID-19, the sale of wood revenue budget was decreased in 2021. This also marks the first time in over two decades that the adopted sale of wood revenue budget was actually decreased.

If timber markets improve in 2021, it is very likely that sale of wood revenues will also increase. However, the current financial climate and extreme timber market volatility make it nearly impossible to predict revenues for next year. As a result, the timber sale revenue budget for 2021 has been developed even more conservatively than normal. If timber markets do improve, a budget amendment will most likely be required to reflect improved conditions.

Expenditures: Forest Management Program

The forest management program accounts for the vast majority of total expenses within the Department. The most significant expenses include personnel, general operating costs associated with managing the roughly 176,000 acre county forest, reforestation, and payments to each township that contain county forest acreage.

Personnel Expenses

The single most significant expense incurred by the Forestry and Parks Department is personnel, which includes wages and fringe benefits. Fringe includes costs associated with health insurance, life insurance, retirement, FICA/Medicare contributions, Forestry and Parks Committee per diems and health reimbursement accounts (HRA).

In 2011, the management of County parks and campgrounds was transferred from Tourism to Forestry. In the summer of 2013, the Trails Program was also moved from Tourism to Forestry and Parks. As part of those transitions, the Department created a new full-time position – Recreation Forester.

In 2018, the Department began the implementation of a Continuous Forest Inventory program (CFI). In addition to CFI, the Department also made a commitment to fully implement a system of forest regeneration monitoring (FRM). As a result, a new position, Inventory and Analysis Forester, was created. In addition to managing the CFI and FRM programs, this position is also be charged with performing various analyses of the data; the management of various databases; the development of various summaries and reports; and numerous other field forestry related tasks, including timber sale establishment. Please refer to the 2019 Forestry and Parks Work

Plan for more detailed information on CFI. Monitoring and reforestation are both fundamental components of forest management.

The Department now consists of 10 full time positions including: 4 Foresters, 1 Inventory and Analysis Forester, 1 Recreation Forester, 1 Forest Technician, 1 Office Manager, 1 Assistant Administrator and 1 Administrator (note: nearly half of the Administrator's salary and benefits are reimbursed to the county by the Wisconsin DNR, through the County Forest Administrator grant). In addition to full time staff, one, and sometimes two, interns are also added during the summer months. However, in 2021, a summer intern is not being considered.

Even though the responsibilities of the Rec Forester are almost exclusively tied to the Parks and Recreation programs, the wage and fringe for the position are included in Table 12, in an attempt to summarize the overall impact of personnel related expenses on the budget.

Table 12 summarizes the total budgeted expenses pertaining to wages and fringe benefits from 2006 through 2021.

Table 12: Summary of Budgeted Personnel Related Expenses^{1,2,3,4}

Year	Wages	Fringe¹	Total
2006	\$288,634	\$131,123	\$419,757
2007	\$294,411	\$143,825	\$438,236
2008	\$312,348	\$148,848	\$461,196
2009	\$313,061	\$137,304	\$450,365
2010	\$327,578	\$188,046	\$515,624
2011	\$370,335	\$229,695	\$600,030
2012	\$396,507	\$203,574	\$600,081
2013	\$417,372	\$208,933	\$626,305
2014	\$459,743	\$233,632	\$693,375
2015	\$479,882	\$236,163	\$716,045
2016	\$501,233	\$244,795	\$746,028
2017	\$505,777	\$255,124	\$760,901
2018	\$590,108	\$326,656	\$916,764
2019	\$614,886	\$322,266	\$937,152
2020	\$637,274	\$314,915	\$952,189
2021	\$646,937	\$291,512	\$938,449
Average	\$447,255	\$226,026	\$673,281

¹ includes insurances, retirement & FICA

² The Recreation Forester was added in 2014.

³ Budgeting for work associated with GNA began in 2018.

⁴ The Inventory and Analysis Forester was added in 2018.

Aside from the additions of new full-time staff (Forester added in 2011; Rec Forester added in 2013; Inventory and Analysis Forester added in 2018), the cost of health insurance has been the

biggest contributor to the increase in personnel expenses. Since 2006, the total cost of health insurance within the Department has increased by nearly 2.5 times, while wages have increased by over 2.0 times during that same period. Some of the cost increases are a result of adding the additional staff, while the remainder is due to increases in insurance premiums and wages. Changes in health care coverage and the employment of summer interns also contribute to the increases (for example, moving from an individual plan to a family plan increases the cost of health insurance by approximately \$14,000 per occurrence).

In 2021, total personnel expenses, are expected to be around \$938,000, which is a decrease of roughly 2% when compared to 2020. The primary reason for the decrease is due to changes in health insurance made in 2020.

Township Payments

The second most significant recurring budgeted expense(s) are combined payments to towns. Townships that contain county forest acreage receive a state mandated payment equal to ten (10) percent of net revenues generated from the sale of wood (stumpage) on county forest lands. The distribution of this money is based solely on the percentage of acreage contained within each township, regardless of where actual timber harvesting occurred.

Table 13 summarizes the total annual payments distributed by the towns since 2010 (2020 and 2021 are estimated). Again, only those towns that contain county forest lands receive compensation. The 10% timber sale (stumpage) payments, as well as the Town Road Aids are distributed by the county, while the DNR PILT payment is distributed by the state.

Table 13: Total Annual Payments to Townships

Year	10% Timber Sales	Town Road Aids¹	DNR PILT²	Total
2010	\$204,766	\$13,573	\$51,434	\$269,773
2011	\$247,707	\$29,326	\$51,434	\$328,467
2012	\$269,676	\$21,132	\$51,434	\$342,241
2013	\$390,410	\$28,264	\$51,434	\$470,108
2014	\$453,483	\$80,201	\$51,434	\$585,118
2015	\$499,306	\$72,837	\$51,434	\$623,577
2016	\$504,200	\$85,267	\$51,598	\$641,065
2017	\$500,990	\$67,034	\$51,598	\$619,622
2018	\$456,224	\$81,700	\$51,598	\$589,522
2019	\$417,166	\$71,500	\$52,725	\$541,391
2020	\$295,000	\$90,000	\$52,725	\$437,725
2021	\$295,000	\$60,000	\$52,725	\$407,725
Avg.	\$377,827	\$58,403	\$51,798	\$488,028

¹ Town Road Aids increased in 2014 and 2020.

² Payment made by the DNR based on \$0.30 per acre of county forest land in each Township

Record high 10% stumpage payments were distributed to the towns from 2015 through 2017 (\$499,305, \$504,199 and \$500,990, respectively). In 2019, over \$417,000 was distributed. However, as stated in the revenue section above, markets have receded over the past two seasons

and have been significantly impacted in 2020. As a result, so too have stumpage prices and revenues. Estimated stumpage payments to the towns are projected to be \$295,000 in 2020 and \$295,000 in 2021.

As part of the large Knowles-Nelson Stewardship land acquisition project in 2015, county forest land was added to a variety of towns. Of the 2,602 acres added to the county forest in 2016, roughly 1,220 was located in the Town of Barnes, 630 acres in the Town of Hughes, and 200 acres in the Town of Bayview. In addition, approximately 547 acres was added to the Town of Namakagon, which, previously, did not contain county forest land.

In 2010, the Department adopted a Town Road Improvement Aid program. This program appropriated 1% of the total sale of wood revenues to town road improvement projects (triggered when actual revenues exceed budgeted revenues by 1%).

In 2014, the Forestry and Parks Committee increased this fund to 2% of the sale of wood revenues, with a cap of \$80,000, and removed the trigger. As a result, roughly \$80,000 in town road improvement projects have been approved in each of the past four years (2015, 2016, 2017 and 2018). A total of \$75,000 was budgeted in 2019 (due to anticipated revenues being lower than \$4.0 million).

In 2019, the Forestry and Parks Committee voted to increase the fund up to 3% and remove the cap. As a result, starting with the 2020 budget, roughly 2.25% of the net sale of wood revenues have been allocated to the Town Road Aid program. A total of \$90,000 was budgeted in 2020. A total of \$60,000 is budgeted in 2021. The 2021 budget represents a decrease of roughly 33% when compared to 2020.

Table 14 describes the total acres of county forest land contained within each township.

Table 14: County Forest Acres per Township

Township	Acres
Barnes	40,540
Bayfield	32,927
Hughes	24,673
Bell	15,095
Bayview	13,151
Port Wing	8,876
Russell	8,491
Tripp	6,540
Iron River	6,126
Cable	5,556
Clover	5,387
Orienta	4,720
Grand View	2,520
Namakagon	547
Lincoln	480
Washburn	80
Mason	40
Total	175,749

Essentially, the larger the sale of wood revenues received by the county, the larger the collective payment distributed to each town. As such, average town payments distributed between 2013 through the estimate for 2019 have been significantly greater than the average leading up to 2012 (approximately \$578,000.00 compared to \$316,000.00, respectively, or an increase of about 84%!), with a peak total payment of over \$641,000 in 2016. The Department's goal of capturing the sustainable management potential of the forest (starting CY 2011) provides direct financial benefits to the towns as well.

The total compensation to townships is expected to be roughly \$440,000 in 2020 and \$410,000 in 2021 (which, again, is based upon a conservative timber sale revenue estimate, that has been significantly influenced by the COVID-19 pandemic).

Reforestation

Bayfield County maintains one of the larger public land reforestation programs in the state. Reforestation expenses come in a variety of forms including planting, seeding, competition control or release, site preparation, and, on occasion, seedling protection. The treatment of invasive species has also been recently added to the list.

Table 15 summarizes total reforestation expenses from 2010 through 2021 (2020 and 2021 are estimated).

Table 15: Reforestation Expenses (2010-2021)¹

Year	Budget	Actual
2010	\$136,500.00	\$125,820.69
2011	\$151,722.00	\$149,696.91
2012	\$128,500.00	\$115,303.83
2013	\$117,500.00	\$92,485.72
2014	\$100,000.00	\$96,288.77
2015	\$165,000.00	\$134,095.32
2016	\$175,000.00	\$144,771.21
2017	\$145,000.00	\$120,031.63
2018	\$140,000.00	\$103,423.48
2019	\$91,630.00	\$72,301.74
2020	\$95,000.00	\$95,000.00
2021	\$111,816.00	\$111,816.00
Avg.	\$129,805.67	\$113,419.61

¹ Starting in 2015, many actual expenses covered by grants/aids.

In the past, most of the reforestation budget revolved around artificial regeneration (planting and seeding). Expenses related to natural regeneration (red oak, northern hardwoods, paper birch, etc) are starting to increase and are predicted to become a more prominent component of the reforestation budget. Natural reforestation activities such as site preparation, competition control, and protection from browsing (by white-tailed deer) are all expected to increase

significantly in the coming years and have the potential to equal or even exceed costs associated with artificial regeneration.

Total expenses associated with the reforestation account for 2021 are estimated to be nearly \$112,000. This represents an increase of about 18% when compared to budgeted costs in 2020. Numerous grants and aids were used to offset some reforestation expenses in 2020. Similar grants will be pursued in 2021 but were not awarded at the time of budget development, so could not be applied to the 2021 figures. If similar grants are awarded in 2021, some reforestation expenses could be offset through additional revenue sources.

Throughout the year, numerous awarded grants and aids provide funding for various aspects of the reforestation program. These awards have the potential to significantly decrease direct out of pocket expenses associated with the reforestation program. Awards that are known are addressed as part of budget development (i.e. 2019 and 2020 DNR Wildlife Habitat Partnership grant).

Grants or aids applications that are still pending at the time of budget development, but awarded during the year, will be reflected as savings when compared to the budgeted amount (i.e. 2018 and 2019). In general, every year, the Department receives some form of grant or aids that is used to offset some of the costs associated with the reforestation program.

The reforestation budget doesn't totally reflect the true breadth and scope of the reforestation program. As previously stated, throughout the year, numerous grants and/or aids are awarded that help offset some costs associated with reforestation. In most cases, budgets for these grants are unique and tracked through separate accounts. The total actual cost of the reforestation program is generally about 20 to 40% higher than the budgeted amount (in the reforestation account), depending on the number and size of grants and/or aids received during the calendar year.

Of the 2021 budget for reforestation, roughly \$94,000 is for planting, seeding, and site preparation related expenses. Approximately \$14,000 is for the control of invasive species (primarily on forest roads in the Barrens area). The remaining expenses are for plantation release, other competition controls (primarily TSI – timber stand improvement) and seedling protection.

Operating Expenses

Operating expenses is a general synthesis of various accounts that include nearly everything required to administer all programs associated with the management of the county forest. The most significant operating expenses include: mileage for the fleet of vehicles; materials and supplies for the establishment of timber sales; utilities for the garage; data processing and office supplies; repair, maintenance and improvements of roads and trails; repair and maintenance of field equipment and vehicles (ATV's, snowmobiles, etc.); the expenditure of numerous grants, aids, awards, agreements and/or loans; publications, communications (i.e. cell phones), subscriptions, dues and professional development; and, more recently, expenses pertaining to the

development, improvement and maintenance of recreational trails (located on county forest land).

The budget for 2021 includes funding from the DNR Sustainable Forestry Grant (in the amount of roughly \$25,000). These funds would help cover the costs associated with the establishment of permanent CFI plots, which, in turn, would help offset some of the initial expenses associated with the new position. Also, additional expenses for the Good Neighbor Authority (GNA) agreement (which are offset by added revenue, in the amount of roughly \$30,000) and the completion of previously approved grants (which are also offset by added revenue) contribute to operating expenses.

Operating expenses are projected to be roughly \$192,000 for 2021, which is a decrease of roughly 5% when compared to the budgeted expenses for 2020.

Total Expenses: Forest Management Program

Table 16 displays total budgeted expenses incurred per account type since 2007 (2020 and 2021 are estimated):

Table 16: Forest Management Program Expense Summary per Account Type

Year	Personnel	Operating	Reforestation	Town Payment	Loans	Total
2007	\$438,236	\$123,474	\$97,176	\$170,000	\$86,170	\$915,056
2008	\$461,196	\$183,091	\$97,630	\$170,000	\$86,170	\$998,087
2009	\$452,665	\$154,641	\$145,924	\$180,000	\$86,170	\$1,019,400
2010	\$515,624	\$154,552	\$136,500	\$180,000	\$84,667	\$1,071,343
2011	\$600,030	\$151,898	\$151,722	\$197,500	\$84,667	\$1,185,817
2012	\$600,081	\$204,171	\$128,500	\$242,500	\$0	\$1,175,252
2013	\$626,305	\$161,684	\$117,500	\$266,000	\$0	\$1,171,489
2014	\$638,444	\$201,731	\$100,000	\$280,000	\$0	\$1,220,175
2015	\$657,213	\$200,318	\$165,000	\$355,000	\$0	\$1,377,531
2016	\$683,966	\$506,921	\$175,000	\$370,000	\$0	\$1,735,887
2017	\$684,563	\$189,106	\$145,000	\$580,989	\$0	\$1,599,658
2018	\$838,367	\$167,150	\$140,000	\$536,224	\$0	\$1,681,741
2019	\$851,743	\$183,935	\$91,630	\$492,167	\$0	\$1,619,475
2020	\$863,431	\$201,742	\$95,000	\$425,500	\$0	\$1,585,673
2021	\$850,270	\$192,243	\$111,816	\$355,000	\$0	\$1,509,329
Average	\$650,809	\$198,444	\$126,560	\$320,059	\$28,523	\$1,324,394

Total forest management program expenses are estimated to be \$1,509,329 in 2021. This represents a decrease of roughly 5% when compared to 2020.

Expenses: Parks Program

Expenses relating to the management of the parks program are far less than those associated with managing the county forest. Primary expenses include contractual services for the caretaking of the grounds and facilities, waste management (garbage removal), utilities (electric and propane) and general repair and maintenance. Contractual services are the largest parks management expense.

Table 17 displays the annual budgeted expenses for the parks program since 2011 (2020 and 2021 are estimated).

Table 17: Annual Budgeted Expenses For the Parks Program

Year	Contractual Services	Utilities	Repair & Maintenance ¹	Other ²	Total	Actual
2011	\$22,500	\$10,550	\$10,000	\$830	\$43,880	\$42,205
2012	\$30,700	\$9,650	\$12,000	\$1,175	\$53,525	\$55,826
2013	\$31,270	\$10,125	\$12,000	\$1,400	\$54,795	\$53,839
2014	\$32,543	\$10,625	\$12,000	\$1,400	\$56,568	\$50,655
2015	\$35,000	\$14,525	\$12,000	\$1,400	\$62,925	\$54,956
2016	\$35,000	\$11,950	\$11,000	\$1,400	\$59,350	\$56,409
2017	\$34,000	\$11,650	\$12,500	\$1,350	\$59,500	\$56,775
2018	\$37,000	\$11,750	\$9,000	\$1,155	\$58,905	\$71,175
2019	\$38,500	\$12,650	\$10,000	\$1,850	\$63,000	\$70,123
2020	\$44,000	\$14,750	\$10,250	\$2,575	\$71,575	\$68,025
2021	\$46,000	\$15,000	\$10,000	\$3,000	\$74,000	\$74,000
Average	\$35,138	\$12,111	\$10,977	\$1,594	\$59,820	\$59,453

¹ Yurt related expenses added for 2017

² Printing and Permit Related Expenses

Repair and maintenance of the two county forest yurts were first added to the budget in 2017. A third yurt was constructed in 2018. Expenses that are typically associated with the maintenance of the yurts are: firewood (for the woodstoves), restocking basic supplies (i.e. toilet paper); pumping out the pit toilets (when necessary); permit fees; road and trail maintenance (that provide access to the yurts); and other general supplies and repairs.

In the campgrounds, the caretaking of the facilities and grounds, as well as hosting and managing reservations are all duties performed by contractors. The estimated cost of these services is \$46,000 in 2021. The repair and maintenance of all four parks and three yurts, as well as all utilities, communications and miscellaneous fees are estimated to be approximately \$28,000.

Total expenses for the parks program (including yurts) in 2021 is estimated to be \$74,000. This represents an increase of about 9% when compared to the budget for 2020. An increase in contractual services and utility costs, combined with added expenses associated with a third yurt are the primary reasons for the rise in expenses.

Expenses: Trails Program

The management of the trails program primarily involves maintaining existing motorized trail networks. In a nutshell, this generally means utilizing the annual allocation of maintenance funds provided by the State of Wisconsin, with expenditures generally offsetting revenues.

Occasionally, new grants are awarded for the construction of new trails or major repairs to existing ones (trail rehabilitation). Expenditures also typically equal revenues on all new construction or trail rehabilitation grants.

Table 18 summarizes the expense budget for the recreation program (2020 and 2021 are estimated).

Table 18: Recreation Expenses¹

Year	Budget ²	Actual
2013	\$352,878	\$337,609
2014	\$196,965	\$213,168
2015	\$272,832	\$299,598
2016	\$339,997	\$369,493
2017	\$186,790	\$155,931
2018	\$609,620	\$673,234
2019	\$332,792	\$336,744
2020	\$355,008	\$458,835
2021	\$318,286	\$318,286
Avg.	\$329,463	\$351,433

¹ Trail and rec property related expenses.

² CY 2013, 2016, 2018 & 2019 are amended budgets.

² The 2020 budget will be amended to reflect large snowmobile supplemental expense.

Total expenditures for managing the state funded motorized trails in 2021 is estimated to generally equal revenues: just under \$320,000 (see Table 11). All new construction or rehabilitation grants, as well as any supplemental grants, are typically awarded after the budget is approved, and, if necessary, would require a budget amendment.

Over the past decade, the Department has made it a priority to better capture the sustainable management potential of the county forest. This goal was multi-faceted, as the county forest provides a myriad of different benefits. Phase one of the internal goal was accomplished a few years ago. Various components were analyzed and direction was established to better capture the true sustainable potential of all forest management programs. The result: a sustainably managed forest that is capable of generating over \$2.0 million more in stumpage revenues when compared to accomplishments prior to the adjustments (when timber markets are at least normal).

County forests were established primarily to optimize the production of forest products. Again, this goal was accomplished a few years ago. Realizing the sustainable timber management potential not only benefits the county directly through timber sale receipts, but also provides raw

forest products to local and regional businesses. In general, for every \$1.00 generated by the county through stumpage revenue, an additional \$27.00 is stimulated within local and regional economies.

Other uses, like recreation, are also recognized as important functions of the county forest. Recently, the Department began increasing efforts to improve and/or expand recreational opportunities on the county forest. The yurt projects and improvements to the Lost Creek Falls hiking trail are two good examples.

Since improving the Lost Creek Falls trail, use has increased by about twenty-fold, from around 10 users a week to nearly 200 per week. Improving recreational opportunities has some direct benefits to the county i.e. revenues from the new yurt projects, but most of the benefit derived from recreation is indirect.

Improved recreational access has the potential to attract users and draw people to certain areas. The better the attraction and experience, the more use an area will receive. If the county provides enough good, as well as diverse, recreational opportunities, areas will start to attract people interested in recreation-based day trips or longer stay vacations. More use has the potential to increase spending (which benefits local communities), which increases sales tax revenue and thus directly benefits the county.

Clearly, recreational opportunities reach beyond the economic potential. It provides opportunities for individuals and families, whether local or transient, to get out and enjoy our beautiful natural resources. And there's a lot to enjoy. With nearly 500,000 acres of public land, Bayfield County has more public forests than any other county in Wisconsin.

Increases in recreation also creates additional challenges. As previously stated, county forests were established to optimize the production of forest products. Those who choose to recreate on the county forest will see timber management. The interaction between recreation and timber management is a good thing, as it's important for everyone to better understand where our insatiable demand for wood products comes from.

The challenge will be to develop more effective ways to communicate the goals and objectives of our forest management program and provide educational opportunities to those recreating near harvested areas. Informational signs or kiosks along well used trails will be one way to start the process.

In addition to managing the state funded motorized trails, the 2021 budget includes roughly \$6,000 for non-motorized trail maintenance and development, which is approximately a 22% decrease when compared to the budgeted amount in 2020 (\$8,000). However, \$12,500 is requested in the capital budget (see below) and reflects the commitment to improve, develop and maintain recreational opportunities on the county forest. An additional \$22,000 is also requested in the capital budget to address improvements to the Lost Creek Falls trail (of which \$11,000 will be reimbursed through an already awarded state grant).

Total Expenses: Parks and Recreation Programs

Table 19 represents the total budgeted expenses for the parks and recreations programs. This also includes personnel related expenses attributed to the Recreation Forester position.

Table 19: Total Expenses: Parks and Recreation Programs¹

Year	Parks ²	Recreation			Total
		Motorized Trails ³	County Recreation ⁴	Total Recreation	
2011	\$43,880	\$0	\$0	\$0	\$43,880
2012	\$53,525	\$0	\$0	\$0	\$53,525
2013	\$54,795	\$352,878	\$0	\$352,878	\$407,673
2014	\$56,568	\$196,965	\$54,931	\$251,896	\$308,464
2015	\$62,925	\$272,832	\$58,832	\$331,664	\$394,589
2016	\$59,350	\$339,997	\$62,062	\$402,059	\$461,409
2017	\$59,500	\$186,790	\$76,338	\$263,128	\$322,628
2018	\$58,905	\$609,620	\$78,307	\$687,927	\$746,832
2019	\$63,000	\$231,537	\$186,664	\$418,201	\$481,201
2020	\$71,575	\$287,008	\$156,758	\$443,766	\$515,341
2021	\$74,000	\$312,036	\$94,429	\$406,465	\$480,465
Average	\$59,820	\$326,514	\$96,270	\$393,940	\$373,554

¹ amended budget.

² includes all campgrounds, yurts and Atkins Lake park.

³ includes all state funded motorized trails (snowmobile and ATV/UTV).

⁴ includes non-motorized trails, other rec properties (i.e. Siskiwit Falls, Jolly) and costs associated with the Recreation Forester position.

The total combined expenses for the parks and recreation programs is estimated to be \$480,465 in 2021. This represents a decrease of nearly 7% when compared to 2020.

Total Expenditures: Forestry, Parks and Trails

Table 20 describes the total budgeted expenses for the Forestry and Parks Department per program type since 2007 (2020 and 2021 are estimated). The parks program was added in 2011 and trails in 2013.

Table 20: Total Budgeted Expenses per Program

Year	Forest Management	Parks and Recreation	Total
2007	\$915,056	\$0	\$915,056
2008	\$998,087	\$0	\$998,087
2009	\$1,019,400	\$0	\$1,019,400
2010	\$1,071,343	\$0	\$1,071,343
2011	\$1,185,817	\$43,880	\$1,229,697
2012	\$1,175,252	\$53,525	\$1,228,777
2013	\$1,171,489	\$407,673	\$1,579,162
2014	\$1,165,244	\$308,464	\$1,473,708
2015	\$1,318,697	\$394,591	\$1,713,288
2016	\$1,735,887	\$461,409	\$2,197,296
2017	\$1,599,658	\$322,628	\$1,922,286
2018	\$1,681,741	\$746,832	\$2,428,573
2019	\$1,619,475	\$481,201	\$2,100,676
2020	\$1,585,673	\$515,341	\$2,101,014
2021	\$1,509,329	\$480,465	\$1,989,794
Average	\$1,316,810	\$281,067	\$1,597,877

Total expenses for the combined management of the Forestry, Parks and Trails/Recreation programs are estimated to be approximately \$1.99 million for 2021. This represents a decrease of roughly 5% when compared to the 2020 budget.

Since 2010, expenses pertaining to the management of the county forest have increased approximately 35%. The additional positions (Forester added in 2011 and Inventory and Analysis Forester added in 2018), increases in general personnel costs and larger payments to townships (as per 10% revenue sharing and increases in the Town Road Aid fund) all contribute to this overall increase.

As a note: the Recreation Forester position, that was added in 2013, was primarily created to address the additional workloads generated from the transfer of the parks and trails programs. As such, the increases in expenses associated with that position are not directly attributed to the Forest Management program, but have been applied to the costs associated with Parks and Recreation.

Park expenses have remained relatively stable over the past three years, but fluctuations in motorized trail costs are largely associated with awarded grants. Trail expenses are based on the total value of the annual maintenance funds, as well as any other previously awarded grant that was not expended during the previous year. Motorized trail grants are typically zero sum items in the budget, meaning revenues offset expenditures (as with most grants), but they still contribute to the overall bottom line.

Additionally, starting in 2019, a dedicated amount of funds were allocated to non-motorized trail maintenance and development. More significant projects are addressed through capital requests, but \$11,750 was budgeted in 2019, \$8,000 in 2020 and \$6,250 in 2021 to manage existing non-motorized trail infrastructure.

Capital Expenditures: Forestry, Parks and Trails

Capital expenditures are more discretionary in nature and are tracked separately from dedicated Forestry and Parks accounts, but still contribute to the overall bottom line of the budget.

The capital expenses were included to illustrate the total impact of the Forestry and Parks Department on the overall county budget. The value of capital projects listed for 2020 are proposed and are subject to modification, as per the final budget development process.

Table 21 displays the total budgeted and actual capital expenditures since 2007 (2020 and 2021 are estimated):

Table 21: Total Capital Expenses¹

Year	Revenue		Expense	
	Budget	Actual	Budget	Actual
2007	\$0	\$0	\$150,000	\$150,000
2008	\$0	\$0	\$0	\$1,600
2009	\$0	\$0	\$14,400	\$4,821
2010	\$0	\$0	\$0	\$1,199
2011	\$0	\$0	\$15,500	\$41,815
2012	\$0	\$0	\$41,700	\$31,941
2013	\$0	\$0	\$120,250	\$36,994
2014 ²	\$77,500	\$77,500	\$354,438	\$349,848
2015	\$1,500	\$19,282	\$87,506	\$126,299
2016	\$0	\$0	\$78,100	\$69,338
2017	\$0	\$0	\$110,503	\$85,469
2018	\$0	\$0	\$79,000	\$78,789
2019	\$0	\$0	\$109,500	\$109,500
2020 ²	\$653,400	\$316,256	\$730,100	\$29,775
2021	\$481,250	\$481,250	\$625,500	\$625,500
Average	\$80,910	\$59,619	\$167,766	\$116,193

¹ Adopted budget.

² Amended budget.

The major project scheduled for 2020 was the repair of the Delta Landfill that was damaged as part of the 2018 storms. This project has been delayed and will be addressed in 2021. The project was approved as part of the FEMA declaration. The initial project was estimated to cost

approximately \$350,000, with the FEMA grant covering 87.5% of all eligible expenses. However, a preferred alternative has been developed which could cost approximately \$550,000. Bayfield County is discussing the remaining 12.5% costs with the Town of Delta, as this was previously operated as a landfill for the Town.

As part of the 2020 actual revenue budget, the county will be finalizing the sale of approximately 220 acres of county forest land to the Red Cliff Band of Lake Superior Chippewa. The transaction is valued at \$315,000. This would mark the third such transaction with Red Cliff, as part of the MOU between the Tribe and county. Once the land sale has been completed, the funds will be used to acquire land elsewhere within the county forest blocking. The Department is currently working with the Trust for Public land on the development of a large Stewardship land acquisition project which would, in part, use the funds received from the sale to Red Cliff as a match. If approved, this project would most likely occur near the end of 2021.

NET RETURNS: FORESTRY, PARKS AND TRAILS

Table 22 best communicates the overall impact of the Forestry and Parks Department on the county budget: the total budgeted and actual net returns (excluding capital) from the Forestry, Parks and Trails programs from 2016 through 2021 (2020 and 2021 are estimated).

Table 22: Forestry and Parks Department Budget Summary: Total Levy Contributions

Calendar Year	Forest Management				Parks & Recreation				Total Levy Contribution Budgeted	Total Levy Contribution Actual
	Revenue		Expense		Revenue		Expense			
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual		
2016	\$3,233,380	\$5,306,142	\$1,735,887	\$1,725,600	\$417,997	\$321,505	\$461,409	\$437,978	\$1,454,081	\$3,464,068
2017	\$3,454,230	\$5,267,906	\$1,599,658	\$1,613,202	\$284,290	\$370,524	\$322,628	\$214,066	\$1,816,234	\$3,811,161
2018	\$3,682,510	\$4,776,227	\$1,681,741	\$1,641,093	\$625,265	\$671,962	\$746,832	\$759,409	\$1,879,202	\$3,047,687
2019	\$3,634,868	\$4,340,916	\$1,619,475	\$1,525,231	\$483,874	\$527,289	\$481,201	\$492,277	\$2,018,066	\$2,850,697
2020	\$3,612,325	\$3,190,381	\$1,585,673	\$1,470,755	\$493,008	\$695,770	\$515,341	\$615,618	\$2,004,319	\$1,799,778
2021	\$3,164,107	\$3,164,107	\$1,509,329	\$1,509,329	\$478,036	\$478,036	\$480,465	\$480,465	\$1,652,349	\$1,652,349
Average	\$3,463,570	\$4,340,946	\$1,621,960	\$1,580,868	\$463,745	\$510,847	\$501,313	\$499,969	\$1,804,042	\$2,770,957

The figures presented in Table 22 are based upon the amended budget. The amended budget provides an accurate representation of actual overall activity for each given year. However, when contrasting one budget to another, it is a challenge to produce equal and objective comparisons between a proposed budget (or one that is just adopted) to one that has been adjusted (or amended) throughout the year. Unless otherwise noted, nearly all of the tables and associated discussion contained within this narrative are based upon the adopted budget for each respective year.

Forestry and Parks is one of only a few county departments that actually contributes to the county levy (meaning more money is deposited into the general fund than is spent by the department). The budgeted levy contribution (or net deposits into the county general fund) for 2021 is expected to surpass \$1.652 million. This represents a decrease of roughly 17% over the amended budgeted amount for 2020. The ultra-conservative approach to budgeting timber sale

revenue in the face of this COVID-19 pandemic is the primary reason for the significant decrease.

The actual levy contribution for 2020 is expected to be around \$1.8 million. This would be about 10% less than the budgeted contribution for 2020. When comparing the estimated 2020 actual levy contribution to the 2021 budgeted amount, the expected decrease in net return would be closer to 8%. It is also worth noting that the average actual total net returns since 2013 (roughly \$2.6 million) are about \$1.1 million dollars greater than the average actual net returns leading up to 2013 (\$1.45 million).

Nearly all of the above mentioned increases are attributed to solid sale of wood figures, primarily associated with past strong markets for new timber sales, as well as efforts to fully capture the sustainable harvest potential of the county forest (see Table 1). However, as previously stated, markets have receded. As a result, stumpage revenues are expected to be significantly lower in 2019 and 2020, when compared to record receipts from 2014 through 2018.

To summarize the proposed 2021 budget, which includes the Forest Management, Parks and Trails/Recreation programs: total levy contribution (net return/deposit) for 2021 is budgeted to be \$1,652,349. This represents a decrease of roughly 17% when compared to the budgeted amount for 2020 or a decrease of roughly 8% when compared to the estimated actual amount for 2020.

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